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Special Committee on Preferences
Twenty-first session
Geneva, 16 May 1994
Item 2 of the provisional agenda

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Note by the UNCTAD secretariat

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II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Introduction

By its resolution 77 (III), the United Nations Conference on Trade and Development decided to establish the Special Committee on Preferences as a permanent mechanism within UNCTAD. Its terms of reference are described in section VIII of the agreed conclusions adopted by the Special Committee at its fourth session. Accordingly, at its twenty-first session the Committee will, inter alia, carry out the periodic review of the generalized system of preferences.

The twenty-first session of the Special Committee will be held at the Palais des Nations, Geneva, from 16 to 20 May 1993.

Item 1: Election of officers

At its fifth session, the Committee decided to apply the seven-session cycle of rotation (like that annexed to the rules of procedure of the former Committee on Manufactures).

Accordingly, the twenty-first session corresponds to the fourth session of a seven-session cycle, and the Chairman of the twenty-first session will be elected from among the representatives of countries members of List A, while the Rapporteur will be selected from among the representatives of countries members of List B.

The Committee will complete its Bureau by electing five Vice-Chairmen, in accordance with rule 19 of the rules of procedure of the former main Committees 1/ (i.e. one from List B, one from List D and three from Lists A and C combined).

Item 2: Adoption of the agenda and organization of work

The provisional agenda for the twenty-first session of the Special Committee on Preferences was approved by the Special Committee on Preferences at its 180th plenary meeting on 14 May 1993. At that session, the Special Committee on Preferences decided to begin preparations for the 1995 policy review on the GSP. This twenty-first session should therefore be considered, inter alia, as a preparatory meeting for the 1995 policy review on the GSP. In view of these special tasks of the twenty-first session, the Special Committee also agreed that Governments may be invited to sponsor the participation of eminent and competent personalities in the twenty-first session of the Special Committee.

In its decision 179(XVIII) of 17 September 1978, the Board stipulated that the annual sessions of the Special Committee on Preferences should be conducted according to the following procedure:

"1. The plenary meetings of the Special Committee on Preferences should be devoted primarily to issues of a general character concerning the generalized system of preferences;

"2. During the sessions of the Special Committee on Preferences, informal plurilateral consultations should be held on individual schemes, if so requested, between preference-receiving countries, on the one hand, and the preference-giving country concerned, on the other. These plurilateral consultations would be private and confidential in character."

In his note of February 1994, the Secretary-General of UNCTAD invited States members which were interested in holding plurilateral consultations to advise the secretariat well in advance of the twenty-first session of the Special Committee so that the necessary arrangements could be made for holding such consultations. The secretariat will in due course inform States members concerned of requests received and of consequent arrangements for consultations.

As noted in the annotation to item 4, that item is to be considered in a sessional committee. It is suggested that, in accordance with usual practice, the sessional committee elect a Chairman and a Vice-Chairman-cum-Rapporteur.

Item 3: Review of the implementation, maintenance, improvement and utilization of the generalized system of preferences, including preparations for the 1995 policy review on the GSP

The Special Committee will have before it the "Seventeenth general report on the implementation of the generalized system of preferences" (TD/B/SCP/6). The first part of this report covers in chapter I the changes and improvements that have taken place in the various schemes since the twentieth session of the Special Committee on Preferences. Chapter II updates the trade effects of the system to cover the most recent period for which information is available. The second part of the report analyses the various shortcomings currently affecting the GSP schemes and evaluates in a preliminary manner possible consequences of the Uruguay Round agreements on the GSP schemes. It contains policy proposals to revitalize and give new dynamism to the GSP schemes.

Also relevant to this agenda item are the replies received from preference-giving countries on the operation and effects of the various schemes (issued in the series TD/B/C.5/PREF).

Item 4: Consultations on harmonization and improvement of the rules of origin

In its resolution 352 (XXXIV), the Trade and Development Board endorsed the recommendations of the Ad Hoc Intergovernmental Working Group on the In-Depth Study of the United Nations Intergovernmental Structure and Functions in the Economic and Social Fields, and the Working Group on Rules of Origin was converted into a sessional committee of the Special Committee on Preferences. 2/ The secretariat has prepared a report entitled "Consultation on harmonization and improvement in the rules of origin - review of past discussions: possible ways forward" (TD/B/SCP/8) in order to assist the Committee in its tasks of identifying and promoting the adoption of initiatives relating to the harmonization, simplification and liberalization of the GSP rules of origin, in response to Conference resolution 159 (VI). If

it is deemed necessary, the Special Committee will convene a sessional committee to discuss and address the issues contained in this report.

Item 5: Technical assistance in connection with the generalized system of preferences

The Special Committee will have before it a report on "Technical cooperation activities on the generalized system of preferences and other trade laws, 1993" (TD/B/SCP/7). The report underscores the importance of these activities and addresses the financial viability of the Geneva-based programme of technical cooperation on the GSP.

Item 6: Provisional agenda for the twenty-second session of the Special Committee on Preferences

In accordance with rule 8 of the rules of procedures of the former main Committees (by which the Special Committee is guided), during the session the secretariat will submit a draft provisional agenda for the twenty-second session of the Committee.

Item 8: Adoption of the report of the Special Committee on Preferences to the Trade and Development Board

The Board, at its executive session prior to the second part of its fortieth session, will consider the report of the Special Committee.

The attention of the Committee is drawn to paragraph 6 of decision 302 (XXIX) adopted by the Board on 21 September 1984, whereby the Board instructed its main Committees and other subsidiary bodies to ensure that their reports were concise, action-oriented and not exceeding the limit of 32 pages. The Special Committee may wish to invite the Rapporteur, in cooperation with delegations and the secretariat, to make every possible effort to conform to this decision of the Boa d.

Notes

1/ At its fifth session the Committee decided to continue being guided, as appropriate, by the rules of procedure of the Committee on Manufactures (ibid., para. 230), which have since been incorporated into a consolidated set of rules of procedure of the main Committees of the Board (TD/B/740).

2/ TD/B/1154.